

Idaho Grain Market Report, December 3, 2015

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Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, December 2, 2015. Barley prices in \$/Cwt. and wheat prices in \$/bu.

	Barley (Cwt.) FEED	MALTING	Wheat (bu.) Milling			
	48 lbs or better	Open market malting	#1 SWW	#1 HRW 11.5% pro	#1 DNS 14% pro	#1 HWW
Rexburg/ Ririe/ Roberts	\$6.00		NQ	NQ	NQ	NQ
Idaho Falls	\$6.00	\$9.30 - \$9.38	\$4.80-4.97	\$4.00-4.25	\$5.08-5.20	\$4.70-4.76
Blackfoot / Pocatello	NQ	\$9.00	\$4.80	\$4.25	\$5.20	\$4.55
Grace / Soda Springs	\$6.50		\$4.84	\$4.05	\$5.10	\$4.65
Burley / Rupert	\$6.00-6.50	\$9.38	\$4.75-5.05	\$3.88	\$4.94	\$4.56
Hazelton						
Twin Falls / Buhl / Wendell	\$6.40-6.50		\$4.70	NQ	NQ	
			Feed wheat			
			\$4.00			
Nampa – Weiser	\$6.05		\$5.33			
Nez Perce / Craigmont	\$5.50		\$4.45	\$4.73	\$5.55	
Lewiston	\$6.00		\$4.71	\$4.99	\$5.81	
Moscow / Genesee	\$5.50-6.00		\$4.48-4.62	\$4.76-4.95	\$5.58-5.77	\$4.95

Prices at Selected Terminal Markets, cash prices FOB

	#2 Feed 46 lbs. -- unit trains barge	Malting	#1 SWW	#1 HRW 11.5% Protein	#1 DNS 14% Protein	#1 HWW
Portland			Ord protein \$4.67¼ - 5.30 max 10.5% pro \$6.22¼ - 6.73	\$5.46-5.71	\$6.23¾ - 6.53¾	
Los Angeles	\$9.35-9.70			NQ (12%)		
Tulare	\$9.35-9.70					
Ogden	\$6.90		\$5.15	\$4.35	\$5.50	\$5.10
Great Falls	\$5.25-5.75	\$10.00		\$4.34-4.52 (12%)	\$5.09-5.31	
Minneapolis	\$5.42	NQ		\$5.31	\$6.53¾ - 6.63¾	

Market trends this week

BARLEY - USDA reported there were no barley export sales last week while shipments totaled 100 MT to Taiwan.

WHEAT – USDA reported wheat export sales last week were within expectations at 432.9 TMT (392.2 TMT in MY 2015/16 and 40.7 TMT in MY 2016/17), up 29% from the previous week and 17% from the 4-week average. Wheat export shipments totaled 399 TMT, up 54% from the previous week and 56% from the 4-week average.

Wheat competitor / buyer news – ABARE lowered their Australian wheat production estimate this month from 25.28 MMT to 23.98 MMT due to drought during the growing season. Argentine President-Elect Mauricio Marci confirmed that he plans to immediately eliminate Argentina's wheat export taxes of 23% upon his December 10 inauguration. India may need to import wheat later this marketing year.

CORN – USDA reported corn export sales last week were on the low end of trade expectations at 499.4 TMT, down 76% from the previous week and 50% from the 4-week average. Corn export shipments last week totaled 373.8 TMT, down 30% from the previous week and 11% from the 4-week average.

Ethanol corn usage – DOE’s Energy Information Agency reported a sharp downtick in ethanol production last week after reaching record production the previous week – down 52,000 bbls per day or 5.2% from the previous week to 956,000 bbls, which is down 0.6% from the previous year. U.S. ethanol stocks continued to climb last week, increasing 2% to 19.997 million bbls, which is up nearly 16% from the previous year. Corn used to produce ethanol last week totaled 100.38 million bu, above the weekly pace needed to reach USDA’s projection for MY 2015/16 of 5.175 billion bu. EPA released their final 2016 Renewable Fuels Standard this week, raising the corn ethanol blending mandate by 500 million gallons to 14.5 billion galls. The total RFS was set at 18.116 billion gallons, up from a preliminary peg of 17.4 billion gallons. The biodiesel mandate was set at 1.9 billion gallons, up from 1.8 billion gallons.

Corn competitor / buyer news – Argentine corn farmers are expected to increase corn plantings by 10% after their new president is expected to eliminate their current 20% corn export tax. Brazil reported that corn export loadings slowed in November due to excess rain at key southern ports, dropping from 5.547 MMT shipped in October to 4.757 MMT, but still well above previous year exports of 2.978 MMT. Brazil is projecting their corn exports could reach a record 33 to 34 MMT this year.

Futures Market trends this week

WHEAT – Wheat futures closed mixed in choppy trading on Monday, with some weather concerns (freeze warnings in parts of KS and OK) offset by pressure from heavy deliveries against the Dec contract. Wheat posted fresh contract lows on Tuesday on pressure from improved winter wheat condition rating (last rating of the year before the crop moves into winter dormancy). Wheat remained under pressure from technical weakness on Wednesday. Wheat posted a bullish reversal higher today (Thursday) on short covering triggered by a sharp break in the dollar index in reaction to a disappointing stimulus package announced by European Central Bank. **Wheat market closes on Thursday, 12/03/15...**

	Dec 2015	Weekly Summary	Mar 2016	Weekly Summary	May 2016	Weekly Summary
Chicago SRW	\$4.64 ³ / ₄	Down \$0.01	\$4.78 ³ / ₄	Down \$0.00 ¹ / ₄	\$4.86	Up \$0.01 ¹ / ₄
KC HRW	\$4.58 ³ / ₄	Up \$0.08 ³ / ₄	\$4.76 ¹ / ₂	Up \$0.10	\$4.87 ¹ / ₄	Up \$0.10
MGE DNS	\$5.22	Up \$0.12	\$5.12	Up \$0.05 ¹ / ₂	\$5.19 ¹ / ₄	Up \$0.05

CORN – Corn futures posted modest gains to start the week in follow-through bargain hunting. Gains were limited by disappointing export shipments. Technical buying and spillover soybean support drove corn prices modestly higher on Tuesday. Wednesday saw corn prices settle lower in choppy consolidation trade, under profit-taking pressures triggered by a sharply higher dollar and weak crude oil which sank below \$40/bbl. Corn posted solid gains today (Thursday), boosted by a sharp break in the US dollar index. Slow producer selling also provides some underling support. **Corn futures contract closes on Thursday, 12/03/15... Dec 2015 contract at \$3.70¹/₄ , up \$0.11 for the week, Mar. 2016 contract closed at \$3.77, up \$0.09³/₄ and the May 2016 contract closed at \$3.82³/₄, up \$0.09³/₄ for the week.**

CRUDE OIL – Crude oil continued to chop lower this week under pressure from a strong dollar which reached a 12 year high this week and reports that two Libyan oil fields that have been closed for a year will resume full production, adding 440,000 bbl per day to the global crude supply glut. There was also rampant speculation this week that OPEC members may agree to a crude oil production cut when they meet later this week. Iran has stated that they will refuse any deal that requires a production cut, but Saudi Arabia says they are prepared to accept a one million bbl per day production cut in 2016 to help stabilize prices. DOE reported domestic crude oil inventories increased for the 10th consecutive week by 1.177 million bbls, compared to an expected increase of 471,000 bbls. Distillates increased by 3.051 million bbls, while gasoline stocks increased by 135,000 bbls. **Crude oil posted a solid bounce higher today (Thursday), boosted by a sharp break in the US dollar - closing down \$.63/bbl for the week to finish at \$40.54.**

USDA Crop Progress / Condition Report, November 30, 2015

Crop	% Progress	Previous Week	Previous Year	5-Year Average	Condition rating % good/excellent	Previous Week	Previous Year
US winter wheat	93% emerged	90%	94%	93%	55%	53%	58%
ID winter wheat	95% emerged	91%	100%	99%	66%	66%	

Weather/Crop Outlook

- Snow and colder temperatures lingered across the PNW and Intermountain Region, but are expected to give way to

milder temperatures. Snow is providing a badly needed moisture boost to the very dry PNW winter wheat crop. Snow covered the Upper Mississippi River Valley into the Central Plains, with freeze warnings posted for Kansas and western Oklahoma. Mostly mild, dry conditions prevailed across the Southern Plains. **6-10 day outlook** – Above normal temperatures for most of the country and normal to above normal precipitation in the West.

- **Black Sea** – Beneficial light showers covered much of central and eastern Ukraine, with heaviest amounts along the Black Sea. It is estimated that the Ukrainian winter wheat crop condition has improved slightly, but is still rated 36% in poor condition. This region is expected to be dry for the next two weeks.
- **South America** – Central and Southern Brazil continued to receive ample moisture this week, causing corn planting delays in some areas and flooding at southern ports which is resulted in corn shipping delays.
- **Australia** – Western region received saw light showers, which are moving eastward but amounts are not significant enough to delay harvest.

IBC WEBINARS

- **Dec. 16, 2015 at 8:30 a.m. MST... 2016 Grain Marketing Strategies with Brian Rydlund, CHS Hedging.** Log on... <http://zoom.us/j/734930534>

RECORDED

- **El Nino Winter Weather Outlook** presented by NWS Senior Hydrologist Troy Lindquist on Nov. 18, 2015. Link can be found at <https://vimeo.com/146130357>
- **2016 Malting Barley Revenue Endorsement Crop Insurance** presented by Dave Paul, Watt's & Associates on October 23, 2015. Link can be found at <https://vimeo.com/143410554>